GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:652
ANSWERED ON:10.05.2002
EXPORT EARNING SPENT ON OIL IMPORT
T.T.V. DHINAKARAN

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether nearly 40% of the export earnings are spent on oil imports;

(b) if so, the steps taken by the Government to increase export in order to bring down the percentage of oil import bill on the export earning; and

(c) the steps taken to reduce oil import?

Answer

THE MINISTER OF COMMERCE & INDUSTRY (SHRI MURASOLI MARAN)

(a) to (c) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a), (b) & (c) OF LOK SABHA STARRED QUESTION NO. 652 TO ANSWERED ON 10.05.2002 REGARADING EXPORT EARNING SPENT ON OIL IMPORT BY SHRI T.T.V. DHINAKARAN

(a) : No, Sir. As per provisional data for 2001-02, the oil imports bill was only 31% of merchandise exports.

(b) & (c) : Export promotion is a continuous process, necessitating short term as well as medium term measures. Short term measures were needed in October last year to arrest the declining trend arising out of the global economic slow down. These included reduction in the interest rates on export credit, special financial package to manufacturer exporters, extension of normal repatriation period upto 360 days and abolition of value caps in the case of DEPB for more than 400 export items.

A medium term export strategy has been announced for the period 2002-07 which aims at achieving 1% of world exports by the year 2006-07. Besides the Exim Policyfor 2002-07 announced recently incorporates a number of measures to promote exports. These include operationalising Special Economic Zones,scheme to reimburse certain admissible expenses for export of certain agricultural products, development of selected urban clusters, additional support for electronic hardware exports, and reduction in transaction costs.

In order to reduce dependence on oil imports several steps have been taken by the Government which include improving the recovery factor from the existing major oil fields by implementing Enhanced Oil Recovery (EOR) and Improved Oil Recovery (IOR) schemes increasing exploration efforts through the New Exploration Licensing Policy (NELP); exploring in new areas, especially in deep water and difficult frontier areas as also in the deeper layers of the producing fields; developing faster the newly discovered fields and stepping up the use of new technologies for seismic surveys, stimulation operations, drilling of wells etc. in producing areas; exploration and exploitation of Coal Bed Methane; increasing refining capacity in the country etc.